

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

ALCHIMIA, INC.,

Plaintiff,

v.

PETER JACOBSON and MENTOR
CAPITAL ASSOCIATES,

Defendants.

Civil Action No. 04-11908-DPW

JOINT STATUS REPORT

Pursuant to the Court's Scheduling Order dated January 14, 2005, the parties in the above-captioned action jointly submit the following Status Report:

Current Status of the Case.

The parties and their counsel are working to finalize the language of a settlement agreement. The parties are hopeful that on Wednesday, September 7, 2005, they will report to the Court that the case has settled. The parties and their counsel have been engaged in settlement negotiations since the spring of this year. The settlement requires that certain documents be procured from a third party, which was a time consuming task that has been achieved. Due to the constructive nature of the settlement negotiations, the parties have not completed discovery to avoid litigation costs. There are no pending or contemplated motions, and the parties do not anticipate the need to schedule a pretrial conference or trial.

If the parties do not reach a settlement on or before September 7, 2005, the parties' counsel will so advise the Court and be prepared to discuss the need for discovery,

contemplated motions, case deadlines, and any other matters as required at the scheduling/status conference on September 8, 2005.

Respectfully submitted,

Alchimia, Inc., by its attorneys,

Mentor Capital Associates and Peter
Jacobson, by their attorneys,

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Dated: September 2, 2005